

Ocean Place Development, LLC

Liquidation Analysis - Subject to Qualifications Made in the Disclosure Statement

	Ref. Notes	Value	Liquidation Asset Retention Percentage	Estimated Liquidation Value	Claim Amount	Estimated Recovery Percentage
Current Assets						
Operating Cash	(1)	\$1,880,614	100%	\$1,880,614		
Payroll Account						
Petty Cash & Banks	(1)	35,000	100%	35,000		
Escrowed Funds	(3)	87	100%	87		
Accounts Receivable, Net	(2)	893,104	50%	446,552		
Inventories	(4)	134,049	10%	13,405		
Prepaid and Other	(5)	495,745	0%	-		
Total Current Assets		3,438,599		2,375,658		
Property & Equipment						
Land	(6)	24,235,508				
Building		29,319,938				
Furniture & Fixtures		6,377,120				
Other		67,434				
Total Property, Plant & Equipment		60,000,000	85%	51,000,000		
Other Assets	(7)	4,306,383	12%	516,766		
Gross Proceeds Available for Distribution				53,892,424		
Wind-Down Costs						
Wind-Down Costs	(8)			(150,000)		
Professional Fees	(9)			(325,000)		
Trustee Fees	(10)			(1,607,023)		
Net Proceeds Available for Distribution				51,810,402		
Distribution to Secured Creditor (AFP)				51,810,402	\$52,252,801	99.2%
Distribution to Other Creditors				-	114,228,190	0.0%

NOTES

- Operating Cash and Petty Cash & Banks are scheduled pursuant to the Debtor's June 30, 2011 unaudited financial statements. These funds are generally required for working capital purposes.
- Debtor's Accounts Receivable, pursuant to Debtor's June 30, 2011 unaudited financial statement, arise primarily from prior group meetings held at the Ocean Place Resort & Spa. Debtor believes approximately \$250,000 of accounts receivable are uncollectible. Given the significant uncertainty inherent in any sale and based on prior collection results, it is assumed that the collection of such accounts receivables would be negatively impacted.
- Miscellaneous escrowed funds pursuant to June 30, 2011 financial statement.
- Inventory is based on book value as of June 30, 2011 final statement and is comprised largely of food, beverage, employee uniforms and miscellaneous goods from operations of the hotel and spa. Based on the types of inventory held, it is estimated that approximately one-half of the inventory could be sold at auction at a discount to book value based on traditional liquidation and going out of business sales.
- Prepaid and Other assets as of June 30, 2011 final statement consist primarily of customer prepayments for future occupancies at the hotel by group and individual guests. These are moneys held on account for others (future guests) and are assumed to be non-recoverable by Ocean Place's creditors.
- Property & Equipment are generally comprised land, buildings and improvements, and personal property used in the operation of the Ocean Place Resort & Spa. Liquidation values are assumed to be net of selling commissions of 3%, escrow, legal and other closing costs. The Liquidation Analysis assumes the Debtor's value of approximately \$60M net of commission, escrow legal and other closing costs.
- Other Assets consist of book value as of June 30, 2011 final statement of (i) pre-opening expenses and loan fees, which have been paid previously and are amortized for reporting purposes on the Debtor's financial statement, (ii) deposits to utility providers and others, and (iii) Exchange & Suspense Costs.
- Ordinary Wind-Down Costs of the estate.
- Professional Fees represent the costs related to attorneys and financial advisors to be retained by a Chapter 7 Trustee in the liquidation of assets.
- In accordance with Section 326 of the Bankruptcy Code, the statutory maximum fee allowed to a Trustee in a Chapter 7 liquidation is 3% of moneys disbursed. For the purposes of this Liquidation Analysis, the Trustee fee is assumed to be 3% of the total proceeds available for distribution less cash and payments to professionals.
- Pursuant to this hypothetical Liquidation Analysis of a sale of all of the assets in a Chapter 7 proceeding, after the payment of administrative costs of a Chapter 7 liquidation, the entire amount of Net Proceeds Available for Distribution would be distributed to the sole Secured Creditor (AFP 104 Corp.), which holds a security interest in substantially all of the assets of the Debtor's estate.
- Pursuant to the Plan, holders of Other Unsecured Claims in the approximate amount of \$56M will have their claims assumed by Tururon Ocean Place LLC. Indemnification Claims of approximately \$52.3 million and \$3.9 million will be reinstated in Reorganized Ocean Place Development LLC.
- Pursuant to this hypothetical Liquidation analysis, the holders of administrative, unsecured and general claims would not receive any distribution in a liquidation scenario.

Debtor's Plan

	Claims Amount	Recovery Amount	Recovery %	
Secured Claim (AFP)	\$52,252,801	\$52,252,801	100.0%	Full satisfaction of claim via \$5M paydown on Effective Date and new note and mortgage
Unsecured Claims (Note 12)				
Priority Tax Claims	\$29,000	\$29,000	100.0%	Full satisfaction in cash
Other Priority Claims	150,000	150,000	100.0%	Full satisfaction in cash upon allowance [estimated at between \$0 and \$190,000] -- claims relate primarily to employee claims per West Paces settlement
Administrative Expense Claims	900,000	900,000	100.0%	Estimated to include professional fees, section 503(b)(9) claims and post-petition payables
Unsecured Trade Claims	1,100,000	500,000	45.5%	Cash payment of \$500,000 to be distributed pro rata on account of claims of approximately \$1.1M
Total Unsecured	\$2,179,000	\$1,579,000	72.5%	